

ILEC COMPANY B
Access Rate Reductions and Restructure Mechanism

LN	Interstate - Impact of Access Rate Changes	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
1	Plan Rates - Originating	\$25,894	\$24,599	\$23,369	\$22,200	\$21,090	\$20,036	\$19,034	\$18,082
2	-Terminating	\$45,686	\$43,401	\$32,361	\$22,317	\$13,195	\$10,862	\$8,730	\$6,783
3	Existing Rates - Originating	\$25,894	\$25,894	\$25,894	\$25,894	\$25,894	\$25,894	\$25,894	\$25,894
4	- Terminating	\$45,686	\$45,686	\$45,686	\$45,686	\$45,686	\$45,686	\$45,686	\$45,686
5	Difference - Originating (LN5 = LN1 - LN3)	\$0	(\$1,295)	(\$2,525)	(\$3,693)	(\$4,803)	(\$5,858)	(\$6,859)	(\$7,811)
6	- Terminating (LN6 = LN2 - LN4)	\$0	(\$2,284)	(\$13,325)	(\$23,369)	(\$32,490)	(\$34,823)	(\$36,956)	(\$38,902)
7	Interstate Rate Impact (LN7 = LN5 + LN6)	\$0	(\$3,579)	(\$15,849)	(\$27,062)	(\$37,293)	(\$40,681)	(\$43,815)	(\$46,714)
Intrastate - Impact of Access Rate Changes									
8	Plan Rate Terminating	\$37,791	\$37,712	\$29,623	\$21,534	\$13,445	\$11,651	\$9,856	\$8,062
9	Existing Rate Terminating	\$37,869	\$37,869	\$37,869	\$37,869	\$37,869	\$37,869	\$37,869	\$37,869
10	Intrastate Rate Adjustment (LN10 = LN8 - LN9)	(\$78)	(\$157)	(\$8,246)	(\$16,335)	(\$24,424)	(\$26,218)	(\$28,013)	(\$29,807)
Total Impact of Access Rate Changes									
11	Total Rate Impact (LN11 = LN7 + LN10)	(\$78)	(\$3,736)	(\$24,095)	(\$43,397)	(\$61,717)	(\$66,899)	(\$71,828)	(\$76,521)
Calculations of Net Restructure Mechanism									
Benchmark Adjustment									
12	Local Rate	\$16.65	\$16.65	\$16.65	\$16.65	\$16.65	\$16.65	\$16.65	\$16.65
13	Existing SLC:	\$6.50	\$6.51	\$6.86	\$6.90	\$6.90	\$6.90	\$6.90	\$6.90
14	State USF Surcharge	\$1.45	\$1.45	\$1.45	\$1.45	\$1.45	\$1.45	\$1.45	\$1.45
15	Total Rate: (LN15 = LNs 12 thru 14)	\$24.60	\$24.61	\$24.96	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
18	SLC Adjustment/Line/Mo.	\$0.01	\$0.35	\$0.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
19	Access Lines	904	886	869	852	835	819	803	787
20	Additional SLC Revenue (LN20 = LN18 x LN19 X 12)	\$78	\$3,736	\$432	\$0	\$0	\$0	\$0	\$0
21	Intrastate Earnings Test Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Net Restructure Mechanism(LN22=LN11-LN20-LN21)	\$0	(\$0)	\$23,663	\$43,397	\$61,717	\$66,899	\$71,828	\$76,521

* Only applicable if the actual local rate on line 17 exceeds the benchmark rate on line 12.